

ILLINOIS INTERNATIONAL PORT DISTRICT

Summary Record of Proceedings of the REGULAR BOARD MEETING July 19, 2019

The Regular meeting of the Board of Directors of the Illinois International Port District and Committee meetings were held Friday, July 19, 2019, at 3600 E. 95th Street, Chicago, Illinois.

The roll was called at 9:05 am. The following Directors were present: Terry Fitzmaurice, Terry Sullivan, Ray Suarez, Aaron Del Mar, Charles Bowen, Henry Wisniewski, Paul Chialdikas, and William Habel. A quorum was present. Michael Forde entered the meeting after roll was called.

Also present: Clayton Harris III, Executive Director; Counsel Brad Smith, Neal and Leroy; Kurt Oelerich, Treasurer.

General public present:

Brian Dutler and Dean Lytton of Harborside/KemperSports; Maria Fattore Lazzaroni, 10th Ward Constituent Service Coordinator; Nicole Garcia, Director of Constituent Services & Community Outreach; Michael Puente, WBEZ; Paul Mack and Fred Harnisch, CPD Helicopter Operations; Jim Egan, CPD Bomb Squad; Rennie Heath, Green Seed; Sam Joyce, South Side Weekly; and, Neil Vohra, Kirkland & Ellis.

Vice Chairman Fitzmaurice requested a motion to suspend the order of the Board meeting and enter into the Leases and Agreements Committee meeting followed by the Finance and Personnel Committee meeting. The motion was made by Mr. Suarez and seconded by Mr. Del Mar and the motion carried unanimously.

The Agenda includes two presentations: Harborside/KemperSports and Chicago Police Department (CPD). Due to the length of the Agenda and appreciating the time of the presenters and public attending the meeting, Vice Chairman Fitzmaurice made a motion to suspend the order of the Committee meetings to allow the presentations to be presented prior to the start of the Committee and Board Meetings. The motion was seconded by Mr. Del Mar and the motion carried unanimously.

The Presentations were made at this time. (See Presentation Comment Section)

SUMMARY REPORT ON STANDING COMMITTEES

Committee Members Present:

Michael Forde
Paul Chialdikas
Chuck Bowen
Henry Wisniewski
Ray Suarez
Terry Fitzmaurice

Others Present:

Clayton Harris III, Executive Director
William Habel
Terry Sullivan
Aaron Del Mar
Brad Smith, Neal & Leroy
Kurt Oelerich, Treasurer

LEASES AND AGREEMENTS COMMITTEE

The Leases and Agreements Committee was held on Friday, July 19, 2019.

EXECUTIVE SESSION

Chairman Forde made a motion to enter Executive Session to discuss: NASCO Lease Agreement, Letter of Intent, Master Lease, and Tenant Updates. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Old Business

NASCO Lease - Executive Session

Letter of Intent, JLL – Executive Session

Master Lease - Executive Session

Tenant Update - Executive Session

Following discussion, Chairman Forde made a motion to exit Executive Session, the motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

The Committee recommended the Board direct Chairman and the Executive Director to negotiate a contract with CRL.

The Committee recommended the Board approve the one-year contract extension with Securalex and the proposed hourly rate increase.

The Committee recommended the Board terminate the Master Lease procurement process.

Butler Drive TIF

The Executive Director reported the Chicago City Council Finance Committee and City Council will be reviewing and voting on the Butler Drive TIF in the next week.

There being no further business, Chairman Forde closed the Leases and Agreements Committee Meeting and opened the Finance and Personnel Committee Meeting.

FINANCE AND PERSONNEL COMMITTEE
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The Finance and Personnel Committee Meeting was held on Friday, July 19, 2019.

Chairman Forde made a motion to enter Executive Session to discuss: debt refinancing, attorney fees and employee hiring. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Following discussion, Chairman Forde made a motion to exit Executive Session, the motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

Monthly Financial Reports and Financial Update

Treasurer Oelerich presented the June 2019 financial reports for review. A number of points were noted and discussed, including:

- The June 2019 revenue and year to date 2019 Revenue fell below the budgeted amount, due in part to Dockside Steel's failure to meet its rent obligations.
- The June 2019 monthly total expense and year to date 2019 results fell below the budgeted monthly amount.
- The June 2019 Net Income exceeded the budgeted amount. Net Income for the year to date is above the budgeted amount. The year to date Net Income is over 45% above the budgeted amount.

Following discussion, the Committee recommended approval of the June Financial Reports by the Board of Directors.

New Business

Attorney Fees- Executive Session
Debt Refinancing - Executive Session
Employee hiring - Executive Session

There being no further business for the Finance and Personnel Committee, Chairman Forde closed the Finance and Personnel Committee and opened the Regular Board Meeting.

REGULAR BOARD MEETING

The following Directors were present: Michael Forde, Terry Fitzmaurice, Charles Bowen, Ray Suarez, Terry Sullivan, Henry Wisniewski, Paul Chialdikas, William Habel, and Aaron Del Mar. A quorum was present.

ADOPTION OF MINUTES – Board Minutes June 21, 2019

The Minutes of the June 21, 2019 Board Meeting were presented. Chairman Forde made a motion to approve the June Minutes. The motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

Leases and Agreements Committee Report – Items Requiring Action

Chairman Forde reported the Committee recommended the Board direct Chairman and the Executive Director to negotiate a contract with CRL under the terms discussed. Chairman Forde made a motion to negotiate a contract with CRL under the terms discussed. The motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

Chairman Forde reported the Committee recommended the Board approve the one-year contract extension with Securatex and the proposed hourly rate increase. Chairman Forde made a motion to approve the one-year contract extension with Securatex and the proposed hourly rate increase. The motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

Chairman Forde reported the Committee recommended the Board terminate the Master Lease procurement process. Chairman Forde made a motion to terminate the Master Lease procurement process. The motion was seconded by Mr. Del Mar and the motion passed unanimously.

Finance and Personnel Committee Report – Items Requiring Action

Chairman Forde reported the Committee recommended the Board of Directors approve the June 2019 Financial Reports. Chairman Forde made a motion to approve the June 2019 Financial Reports. Mr. Fitzmaurice seconded the motion passed unanimously with one exception. Mr. Del Mar requested the minutes reflect his objection to the payment of the Mayer Brown legal bills.

PRESENTATIONS

Chicago Police Department (CPD)

Bomb Squad

Sgt. James Egan made a presentation on the behalf of the Chicago Police Bomb Squad. The CPD has historically used a location at the Port for its operation. CPD is considering relocating and expanding its operation at the Port. Sgt. Egan discussed the uses of the area, equipment used, restrictions on what would be done on the site, and the safety measures that are needed and would be put in place. The new location would include training operations at the site.

The Board members had a number of questions and comments, including the restricted uses of the site, safety and precautions, buffering of the site, surveying of the site, impact on Harborside and notification of Alderwoman Garza of this requested expansion.

Heliport

Sgt. Fred Harnish made a presentation on the behalf of the Chicago Police Department's Helicopter Operations. The City/CPD has an existing location at the Port. CPD and Cook County operates a task force from this location, which covers the entire area of Cook County. The task force is considering acquiring two additional helicopters. Sgt. Harnish indicated the departure location for the helicopters will not change, however, if new helicopters are acquired, they would consider erecting a small building and would like to expand its existing concrete pad south/southwest.

These presentations are for information purposes and CPD will keep the Board up-to-date as these expansion plans further develop.

Harborside/KemperSports

Brian Dutler and Dean Lytton of Harborside/KemperSports made a brief presentation regarding the current operations at Harborside and the overall expectations for the 2019 season. The Key points included:

- 2018 was a challenging year, however, with food and beverage being the primary driver and savings on the payroll side of the operation, the 2018 payment to the Port Authority was above the budget projection.
- The 2019 year-to-date performance for the course, including food and beverage, is above expectations; with the months of April and June reflecting the best monthly performance since KemperSports has been operating Harborside.
- The 2019 payment to the Port Authority is expected to be above the budgeted amount. The 2019 budgeted amount is \$398,169.
- Community outreach programs continue to grow and 1st Tee is also growing.
- KemperSports has invested over \$1 million in capital expenditures since it began operating Harborside in 2013.
- The halfway house is being renovated.
- Harborside/KemperSports continues to look for solutions for upgrading the cart paths.


PUBLIC COMMENT

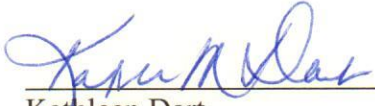
None

ADJOURNMENT

With no other business before the Board, Chairman Forde made a motion to adjourn. The motion was seconded by Mr. Del Mar, and the motion passed unanimously.

The next Committee meetings and regular Board meeting will take place on Friday, August 16, 2019. The meetings will be held at 9:00 am at 3600 E. 95th Street, Chicago, IL.



Michael Forde
Chairman

Kathleen Dart
Secretary